

**SUBDIVISION
Petition for
Conditional Sales Exemption**

Date

Development Name

Dear Commissioner:

This letter constitutes a Petition for Exemption pursuant to A.R.S. § 32-2181.01 from certain provisions of Article 4, Chapter 20, Title 32, Arizona Revised Statute.

We are currently processing or in the process of preparing our application for final Public Report, as required by A.R.S. § 32-2181, et seq. Petitioner hereby requests exemption from A.R.S. § 32-2181 (A), § 32-2183 (A) and (F) until such time as the final Public Report issues, under the following conditions:

1. All conditional sales buyers will be provided a copy of a draft public report based on the questionnaire portion of the application for public report, prior to signing the conditional sales contract.
2. Sales will be made on Purchase Contracts that comply with the Subdivision law and rules of the Department of Real Estate.
3. The conditional sales addendum to purchase contract authorized by the Department will be used in all conditional sales.
4. All money paid by the buyer will be impounded and held in a neutral escrow depository. We plan to use _____ for the escrow depository.
5. Sales will not close until the final Public Report has been issued and delivered to the buyer(s).
6. Upon receiving the final Public Report, buyer will have the right to either cancel or affirm the decision to purchase within (no less than 5) ____ days after which time the contract becomes null and void and all money paid by the buyer shall be returned to buyer within 5 business days.
7. Buyer's cancellation or affirmation of purchase shall be in writing on the authorized conditional sales addendum.
8. At any time prior to the issuance of the final Public Report, the buyer shall have the right to cancel the contract.
9. Should buyer elect to cancel the contract, all money paid by the buyer shall be returned to buyer within 5 business days.
10. Until such time as the final Public Report is issued and the buyer's right to cancel has lapsed, seller shall have no cancellation rights.
11. All advertising and promotional material utilized during the conditional sales period will disclose that sales are conditioned upon buyer's receipt and acceptance of the final Public Report.

If the requested Special Order of Exemption is granted, Petitioner understands and agrees that (1) failure to comply with any of the terms, conditions or representations made in connection with this petition or failure to comply with any term or condition of the order shall render the order void and a Summary Order of Suspension may be issued; (2) that the conditional sales exemption expires upon issuance of the final Public Report; (3) that there is no guarantee when or if a final Public Report will be issued; and (4) that representations made to conditional sale purchasers related to escrow closing or occupancy dates are made at Petitioner's sole liability and risk.

Accordingly, Petitioner respectfully submits that compliance with A.R.S. § 32-2181 (A) and 32-2183 (A) and (F) is not essential to the public interest or for the protection of Buyers for the reason(s) stated above. **Enclosed with this petition are:**

1. Our check in the amount of \$100.00 for the filing fee.
2. Completed **and** executed subdivision questionnaire.
3. A draft Public Report based on the questionnaire.
4. Specimen purchase contract, which meets Department requirements for issuance of Public Reports and **with** Conditional Sales Addendum.
5. Current title report showing acceptable condition of title.
6. A copy of the final or recorded Plat.
7. The Certificate of Approval of Sanitary Facilities for Subdivisions issued by the Arizona Department of Environmental Quality (ADEQ), or its delegate.

It is understood that this petition may need to be supplemented with additional information or documentation including assured or adequate water supply documentation from the Arizona Department of Water Resources.

STATE OF _____)

COUNTY OF _____)

_____, being duly sworn deposes and says:

That the statements made herein and documents submitted hereto are full, true and completed as required by the Arizona Department of Real Estate and that the undersigned as Petitioner(s) is (are) the owner(s) of the property described herein, or that the undersigned is authorized to execute this Petition on behalf of the owner.

Owner(s)/Petitioner(s)

Subscribed and sworn to before me this
_____ day of _____, 200____.

By _____
Signature

Notary Public

Printed Name and Title

My Commission Expires: _____

ADDENDUM TO PURCHASE CONTRACT

The following shall constitute an Addendum to, and become a part of, that Purchase Contract dated _____, 200____, by and between _____ as Seller and _____ as Buyer pertaining to Lot _____, _____.
(Development Name)

Notwithstanding anything contained in the Purchase Contract, said contract shall be subject to the following conditions:

1. Buyers will be given a copy of the **draft** Public Report filed by Seller with the Arizona Department of Real Estate prior to signing this conditional sales contract.
2. All money paid by the Buyer will be deposited and held in a neutral escrow.
3. Sales will not close until the final Public Report has been issued and delivered to the Buyer(s).
4. Upon receiving the final Public Report, Buyer will have the right to either cancel or affirm the decision to purchase within (no less than 5) _____ days after which time the contract becomes null and void and all money paid by the Buyer shall be returned to the Buyer within 5 business days.
5. No escrow closing or occupancy date will be agreed to until after Buyers receipt of the final Public Report and their affirmation of the purchase contract.
6. At any time prior to the issuance of the final Public Report, the Buyer shall have the right to cancel the contract.
7. Should Buyer elect to cancel the contract, all money paid by the Buyer shall be returned to Buyer within 5 business days.
8. Until such time as the final Public Report is issued and the Buyer's right to cancel has lapsed, Seller shall have no cancellation rights.
9. Buyers cancellation or affirmation of purchase shall be on page 2 of this addendum.

Dated this _____ day of _____, 200 _____.

SELLER

BUYER(S)

By _____

Its _____

ADDENDUM TO PURCHASE CONTRACT (CONT')

Buyers Cancellation or Affirmation of Purchase

Buyer(s), having received a copy of the final Public Report issued by the State of Arizona Department of Real Estate pertaining to _____, do(es), by signing below, hereby elect to cancel or affirm the Purchase Contract.

I (we) hereby elect to **CANCEL**

I (we) hereby elect to **AFFIRM** and understand that our earnest and down payment money will be held in or transferred from the neutral escrow depository as agreed to in the purchase contract.

Dated this _____ day of _____, 200_____.

CONTRACT DISCLOSURES

- A. Any agreement or contract for the sale or lease of a property interest in a development that requires a public report shall contain the following language in large or bold print above the signature portion of the document:

**THE PURCHASER SHALL BE GIVEN A COPY OF THE PUBLIC REPORT
BEFORE SIGNING THIS DOCUMENT.**

- B. Any agreement or contract for the sale or lease of a property interest in a development shall conspicuously disclose the nature of the document at or near the top of the document.
- C. The contract shall indicate where the earnest money or down payment, if any, will be deposited and shall include the name of the title company, the name of the broker's trust account, or other depository.
- D. Any agreement or contract for the sale or lease of a property interest in a development where a down payment, earnest money deposit, or other advanced money, if any, is paid directly to the seller and not placed in a neutral escrow depository, shall conspicuously disclose this fact within the document, and the purchaser shall sign or initial this provision indicating approval in the space adjacent to or directly below the disclosure in the purchase contract or agreement of sale. The following disclosure shall be written in large or bold print and shall be included in the public report, purchase contract, and agreement of sale.

**PROSPECTIVE PURCHASERS ARE ADVISED THAT EARNEST MONEY
DEPOSITS, DOWN PAYMENTS, AND OTHER ADVANCED MONEY WILL
NOT BE PLACED IN A NEUTRAL ESCROW. THIS MONEY WILL BE PAID
DIRECTLY TO THE SELLER AND MAY BE USED BY THE SELLER. THIS
MEANS THE PURCHASER ASSUMES A RISK OF LOSING THE MONEY IF
THE SELLER IS UNABLE OR UNWILLING TO PERFORM UNDER THE
TERMS OF THE PURCHASE CONTRACT.**

- E. Any agreement or contract for the purchase or lease of an unimproved subdivided lot, or any unsubdivided land, shall contain the following language in large or bold print above the signature portion of the document:

**THE PURCHASER OR LESSEE HAS THE LEGAL RIGHT TO RESCIND
(CANCEL) THIS AGREEMENT WITHOUT CAUSE OR REASON OF ANY
KIND, AND TO THE RETURN OF ANY MONEY OR OTHER
CONSIDERATION BY SENDING OR DELIVERING A WRITTEN NOTICE OF
RESCISSION TO THE SELLER OR LESSOR BY MIDNIGHT OF THE 7TH
CALENDAR DAY FOLLOWING THE DAY THE PURCHASER OR LESSEE
EXECUTED THE AGREEMENT. IF THE PURCHASER OR LESSEE DOES
NOT INSPECT THE LOT OR PARCEL BEFORE THE EXECUTION OF THE
AGREEMENT, THE PURCHASER OR LESSEE SHALL HAVE SIX MONTHS
TO INSPECT THE LOT OR PARCEL, AND AT THE TIME OF INSPECTION**

SHALL HAVE THE RIGHT TO UNILATERALLY RESCIND THE AGREEMENT.

- F. In areas outside of groundwater active management areas established pursuant to Title 45, Chapter 2, Article 2, if the Director of Water Resources, pursuant to § 45-108, reports an inadequate on-site supply of water to meet the needs projected by the developer or if no water is available, the State Real Estate Commissioner shall require that all promotional material and contracts for the sale of lots in subdivisions approved by the Commissioner adequately display the Director of Water Resources' report or the developer's brief summary of the report as approved by the Commissioner on the proposed water supply for the subdivision.
- G. If the assurance for the subdivision improvements is a certificate of occupancy program, the contract or an addendum to the contract shall contain the following language:

ESCROW SHALL NOT CLOSE UNTIL THE CITY OR COUNTY OF _____ ISSUES ITS OCCUPANCY CLEARANCE AND ALL SUBDIVISION IMPROVEMENTS ARE COMPLETE.

- H. For applications seeking HUD Certification, see the HUD Supplement to this application for HUD's rescission language and additional contract disclosures required by HUD.